

**PRESS-RELEASE**

Rule 12g3-2(b)  
File No. 82-4939



02 AUG 20 AM 10:05

PROCESSED

AUG 30 2002

THOMSON  
FINANCIAL

*Handwritten signature*

Landesbank Rheinland-Pfalz  
Jürgen Pitzer  
Press Spokesman  
Director Corporate Communications  
D-55098 Mainz  
Grosse Bleiche 54-56  
Amtsgericht Mainz HRA 3557

Phone 00 49 (61 31) 13-28 16  
Fax 00 49 (61 31) 13-25 60  
e-mail presse@LRP.de  
Internet www.lrp.de

Please send us a copy  
for our records.

**LRP REPORTS STABLE HALF-YEAR  
RESULT**

**FINANCIAL SERVICES COOPERATION WITH SAVINGS  
BANKS WILL BE EXPANDED**

In the first half of the year, LRP Landesbank Rheinland-Pfalz, Mainz, posted a stable overall result in an extremely difficult banking environment. Net income after provisions for risks and taxes on income and revenues increased slightly to € 50.7 (50) million, and the Group's business volume reached € 76 (77.5) billion. The crisis on the financial markets makes reliable projections for the full fiscal year extraordinarily difficult.

According to Dr. h.c. Klaus G. Adam, Chairman of the Managing Board of LRP, the problems of the financial markets are directly related to the balance sheet manipulations and spectacular company collapses in Germany and abroad. "Meanwhile restrained consumer and capital spending has already led to a slowdown of the world economy which has noticeably affected the still weak economic recovery in Germany," said Adam.

According to the LRP Chairman, demand for financial services will consequently be lower than originally planned. LRP will respond to the changed situation by making further adjustments and focused cost cuts. By way of an example, he mentioned the pooling of securities services agreed with the savings banks in cooperation with LBBW. "While we will remain circumspect in selecting the areas in need of adjustment, we will push ahead such adjustments even more vigorously," explained Adam.

**Financial services cooperation will be expanded**

"We will further increase our focus on the strong growing small and medium-sized companies in cooperation with the savings banks and selectively expand the Group's product range for this segment." In addition to mergers and acquisitions (M & A), consolidation consulting and equity finance, there is a growing demand for acquisitions and arrangement of shareholdings in the

investment-banking segment. The savings banks in Rheinland-Pfalz also continued to strengthen their leading position in the allocation of promotion funds.

The weak stock markets encouraged renewed interest in real assets such as real estate and, as a result, building society services. "In this area, cooperation works already perfectly," said Adam. "If we achieve the same level of commitment, market orientation and cost awareness in all areas of our cooperation, we will be able to defend our leading market position in cooperation with our partners after the change of our guarantee systems as of 2005."

### **Stable half-year result**

At € 68.2 (78.3) million, the operating profit of the LRP Group was down 12.8% on the same period of the previous year. The ongoing erosion of the share prices in particular affected net income from trading activities which fell to € -11.3 (10.7) million. Due to a further decline in orders as well as a lack of IPO transactions, net commission income declined by 16.7% to € 28.2 (33.9) million. Primarily as a result of the volume effect, net interest income ranged at € 182.5 (191.6) million in the first half of the year, down 4.7% on the previous year.

Due to strict management of personnel and operating expenses, administrative expenses increased by only 3.8% to € 137.2 (132.2) million. Provisions for risks and other adjustments amounted to € 2 million net as risk expenses were largely offset by extraordinary income. Net income for the first half of the year after taxes on income and revenues of € 17.5 (28.3) million stood at € 50.7 (50.0) million.

Apart from a decline in interbank business for reporting date-related reasons, the volume development was characterised by a lending policy, which was oriented to profitable transactions and efficient capital usage. The LRP Group's business volume was down 2% to € 76 (77.5) billion. Certificated liabilities remained LRP's most important funding source, increasing by 4.7% to € 31.4 (30) billion. In line with its international funding strategy, LRP continued to diversify its funding base through the successful placement of a global Pfandbrief benchmark bond with a volume of € 1.5 billion.

Mainz, 7 August 2002

Interim Report as at 30 June 2002

Group Balance Sheet *) (key-data)	30 June 2002	31 Dec. 2001	Changes in	
	Accounts statistics	Balance sheet		
	€ billions	€ billions	€ billions	%
Balance sheet total	67.8	69.8	-2.0	-2.8
Business volume	76.0	77.5	-1.5	-2.0
Claims on banks	19.0	19.9	-0.9	-4.4
Claims on customers	23.6	24.4	-0.8	-3.1
including: building loans of Landes-Bausparkasse	2.0	1.9	0.1	1.0
Securities	21.7	21.5	0.2	1.0
Trust assets	2.3	2.4	-0.1	-2.9
Liabilities to banks	19.8	22.2	-2.4	-10.7
Liabilities to customers	9.9	10.7	-0.8	-7.5
including: savers' deposits of Landes-Bausparkasse	1.7	1.6	0.1	3.1
Certificated liabilities	31.4	30.0	1.4	4.7
Capital funds	2.8	3.0	-0.2	-6.0

  

Group Results	1 Jan. - 30 June 2002	1 Jan. - 31 Dec. 2001	6/12	Changes in
	€ millions	€ millions	€ millions	%
Net interest income	182.5	383.2	191.6	-4.7
Net commission income	28.2	67.7	33.9	-16.7
Net income from trading activities	-11.3	21.3	10.7	-
Other operating expenses/income	7.9	35.5	17.8	-55.5
General administrative expenses	137.2	264.4	132.2	3.8
Provisions for risks/adjustments	-2.0	-86.8	-43.4	-95.4
<b>Operating profit</b>	<b>68.2</b>	<b>156.5</b>	<b>78.3</b>	<b>-12.8</b>
Taxes on income and revenues	17.5	56.5	28.3	-38.1
<b>Net income</b>	<b>50.7</b>	<b>100.0</b>	<b>50.0</b>	<b>1.4</b>

Differences due to rounding

\*) The Group comprises the Bank and LBS, LRI, Meridian, LRA, LRP Capital and WIB-Group (pro-rata)